

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	: Chapter 11
	:
SEARS HOLDINGS CORPORATION, et al.,	: Case No. 18-23538 (RDD)
	:
Debtors.¹	: (Jointly Administered)
	:
-----X	

**ELEVENTH MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP
FOR COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
AS CONFLICTS COUNSEL FOR THE DEBTORS FOR THE PERIOD
FROM AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Name of Applicant: Young Conaway Stargatt & Taylor, LLP

Authorized to Provide Professional Services to: Conflicts Counsel for the Debtors

Date of Retention: November 13, 2018, *nunc pro tunc* to October 15, 2018

Period for which compensation and reimbursement is sought: August 1, 2019 through August 31, 2019

Monthly Fees Incurred: \$4,158.50

20% Holdback: \$831.70

Compensation Less 20% Holdback: \$3,326.80

Monthly Expenses Incurred: \$33.20

Total Fees and Expenses Due: \$3,360.00

This is a: X monthly interim final application

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),² Young Conaway Stargatt & Taylor, LLP (“Young Conaway”) hereby submits this eleventh monthly fee statement (the “Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as conflicts counsel to the Debtors for the period from August 1, 2019 through August 31, 2019 (the “Monthly Fee Period”). By this Monthly Fee Statement, Young Conaway seeks payment in the amount of \$3,360.00 which is comprised of (i) \$3,326.80 which represents eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Monthly Fee Period, and (ii) reimbursement of

² Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

\$33.20, which represents one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

Services Rendered and Expenses Incurred

1. Attached as Exhibit A is a summary of Young Conaway's professionals by individual, setting forth the (i) name, title, and department of each individual who provided services in connection with the Chapter 11 Cases during the Monthly Fee Period, (ii) aggregate hours spent by each individual, (iii) hourly billing rate for each such individual at Young Conaway's billing rates during the Monthly Fee Period, (iv) amount of fees earned by each Young Conaway professional, and (v) the number of years in practice for each attorney. The blended hourly billing rate of Young Conaway attorneys during the Monthly Fee Period is approximately **\$494.12**. The blended hourly rate of paralegals and other non-legal staff during the Monthly Fee Period is approximately **\$295.00**.

2. Attached as Exhibit B is a summary of the services rendered and compensation sought, by project category, for the Monthly Fee Period.

3. Attached as Exhibit C is a summary of expenses incurred and reimbursement sought, by expense type, for the Monthly Fee Period.

4. Attached as Exhibit D is itemized time detail of Young Conaway professionals for the Monthly Fee Period and summary materials related thereto. The description of the work done by counsel in the time detail may have been edited to protect the confidential and privileged nature of the work completed.

Notice and Objection Procedures

5. Notice of this Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and

Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) Paul E. Harner, Ballard Spahr LLP, the independent fee examiner, 1675 Broadway 19th Floor, New York, NY 10019 (email: harnerp@ballardspahr.com); (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (vi) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **October 15, 2019** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no Objections to this Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an Objection to this Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Monthly Fee Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an Objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: September 30, 2019

/s/ Pauline K. Morgan

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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Pauline K. Morgan
Ryan M. Bartley
Travis Buchanan

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

Exhibit A

Compensation by Professional

**SUMMARY OF MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP FOR
SERVICES RENDERED FOR THE PERIOD
FROM AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

Name of Partners and Counsel	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Pauline K. Morgan	Partner	Bankruptcy	1987	975.00	.70	682.50
Ryan M. Bartley	Partner	Bankruptcy	2007	625.00	.40	250.00
Total Partners and Counsel:					1.10	932.50

Name of Associate	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Jared W. Kochenash	Associate	Bankruptcy	2018	325.00	2.30	747.50
Total Associates:					2.30	747.50

Name of Paralegals and Other Non-Legal Staff	Title	Department	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Brenda Walters	Paralegal	Bankruptcy	295.00	8.40	2,478.00
Total Paralegals:				8.40	2,478.00

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners	847.72	1.10	932.50
Associates	325.00	2.30	747.50
Paralegals/Non-Legal Staff	295.00	8.40	2,478.00
Blended Attorney Rate	494.12		
Total Fees Incurred:		11.80	4,158.00

Exhibit B

Compensation by Task Code

**AGGREGATE TIME SUMMARY BY TASK CODE
FOR THE PERIOD FROM AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

Project Category	Total Hours	Total Fees (\$)
Case Administration (B001)	.20	195.00
Retention of Professionals/Fee Issues (B017)	2.70	865.50
Fee Application Preparation (B018)	8.90	3,097.50
TOTAL	11.80	4,158.00

Exhibit C

Expense Summary

**AGGREGATE ITEMIZED DISBURSEMENTS
FOR THE PERIOD FROM AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

Expenses Category	Total Expenses (\$)
Reproduction Charges	33.20
TOTAL	33.20

Exhibit D

Time Detail

YOUNG CONAWAY STARGATT & TAYLOR, LLP

RODNEY SQUARE
1000 NORTH KING STREET
WILMINGTON, DELAWARE 19801

P.O. BOX 391
WILMINGTON, DELAWARE 19899-0391

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(302) 571-6707

Writer's E-Mail
pmorgan@ycst.com

Sears Holdings Corporation
333 Beverly Rd
c/o Alan Carr, Director
Hoffman Estates, IL 60178

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Re: Debtor Representation
For Billing Period through August 31, 2019

CURRENT INVOICE

Professional Services	\$	4,158.00
Disbursements	\$	<u>33.20</u>
Total Due This Invoice	\$	4,191.20

Sears Holdings Corporation
For Billing Period Through August 31, 2019

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Time Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
08/06/19	PMORG	Briefly review exclusivity motion, plan timeline	B001	0.20	195.00
08/15/19	JKOCH	Assist with preparation of second interim fee application	B017	2.30	747.50
08/29/19	BWALT	Email to R. Bartley, and P. Morgan re: YCST tenth monthly fee statement; email to M. Tattnall for filing and service	B017	0.40	118.00
08/15/19	BWALT	Prepare YCST second interim fee application, including communications with P. Morgan, R. Bartley, J. Kochenash, and M. Tattnall re: same	B018	6.50	1,917.50
08/15/19	PMORG	Review and Revise second interim fee application; emails with YCST team re: revisions to same	B018	0.40	390.00
08/15/19	RBART	Review and revise interim fee app (March - June)	B018	0.40	250.00
08/16/19	BWALT	Finalize and send YCST second interim fee application to Paul Weiss for filing and service	B018	0.30	88.50
08/21/19	BWALT	Prepare monthly fee statement, and emails to P. Morgan, and R. Bartley re: same	B018	1.20	354.00
08/21/19	PMORG	Review July monthly fee statement	B018	0.10	97.50
Total				11.80	\$4,158.00

Sears Holdings Corporation
For Billing Period through August 31, 2019

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Timekeeper Summary

<u>Initials</u>	<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
BWALT	Brenda Walters	Paralegal	8.40	295.00	2,478.00
JKOCH	Jared W. Kochenash	Associate	2.30	325.00	747.50
PMORG	Pauline K. Morgan	Partner	0.70	975.00	682.50
RBART	Ryan M. Bartley	Partner	0.40	625.00	250.00
Total			11.80		\$4,158.00

Sears Holdings Corporation
For Billing Period through August 31, 2019

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Task Summary**Task Code:B001****Case Administration**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.20	975.00	195.00
Total		0.20		195.00

Task Code:B017**Retention of Professionals/Fee Issues**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Jared W. Kochenash	Associate	2.30	325.00	747.50
Brenda Walters	Paralegal	0.40	295.00	118.00
Total		2.70		865.50

Task Code:B018**Fee Application Preparation**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.50	975.00	487.50
Ryan M. Bartley	Partner	0.40	625.00	250.00
Brenda Walters	Paralegal	8.00	295.00	2,360.00
Total		8.90		3,097.50

Sears Holdings Corporation
For Billing Period through August 31, 2019

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Amount</u>
08/15/19	Reproduction Charges	299.00	29.90
08/21/19	Reproduction Charges	12.00	1.20
08/29/19	Reproduction Charges	21.00	2.10
Total			\$33.20

Sears Holdings Corporation
For Billing Period through August 31, 2019

Invoice Date: September 10, 2019
Invoice Number: 50008898
Matter Number: 072902.1003

Cost Summary

<u>Description</u>	<u>Amount</u>
Reproduction Charges	33.20
Total	\$33.20